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**BEFORE THE BOARD OF PATENT APPEALS
AND INTERFERENCES**

Application Number: 08/976,159
Filing Date: November 21, 1997
Appellant(s): BRANDER ET AL.

Michelle C Michelle Carniaux (Reg. No. 36,098)

<u>For Appellant</u>

This is in response to Appellant's brief on appeal filed 11/25/2002 and the reply brief filed 12/27/2006. In response to the "Order Returning Un-docketed Appeal To The Examiner from the Board of Patent Appeals and Interferences dated 8/18/2003", the examiner now incorporates the office action dated August 19, 2002 into this current examiner's answer to reflect:

Claims 1-9, 12-13, 21-36 are rejected under 35 U.S.C. 103(a) as being unpatentable over The Depository Trust Company (Herein referred to "DTC") in view of Hawkins et al. (US. 5,497,317).

Claims 18 is rejected under 35 U.S.C. 103(a) as being unpatentable over DTC in view of Lupien as applied to claim 14 above further in view of Hawkins et al (US Patent No. 5,497,317).

The examiner regrets the delayed process of the application caused by this confusion as noted by the Board of Patent Appeals And Interference.

Claims 14-17 and 19-20 are rejected under 35 U.S.C. 103(a) as being unpatentable over DTC in view of Lupien (6,098,051).

(1) Real Party in Interest

A statement identifying the real party in interest is contained in the brief.

(2) Related Appeals and Interferences

A statement identifying the related appeals and interferences which will directly affect or be directly affected by or have a bearing on the decision in the pending appeal is contained in the brief.

(3) Status of Claims

The statement of the status of the claims contained in the brief is correct.

(4) Status of Amendments After Final

The appellants' statement of the status of amendments after final rejection contained in the brief is correct. No amendment after final has been filed.

(5) Summary of Invention

The summary of invention contained in the brief is correct.

(6) Issues

The appellants' statement of the issues in the brief is correct.

(7) Grouping of Claims

Appellant's brief includes a statement that claims 1-9, 12-36 stand or fall together and provides reasons as set forth in 37 CFR 1.192(c)(7) and (c)(8).

(8) Claims Appealed

The copy of the appealed claims contained in the Appendix to the brief is correct.

(9) Prior Art of Record

The following is a listing of the prior art of record relied upon in the rejection of claims under appeal.

The Depository Trust Company (DTC)

Hawkins U.S. Patent No. 5,497,317

Lupien et al U.S. Patent No. 6,098,051

(10) Grounds of Rejection

Claims 1-9, 12-13, 21-36 are rejected under 35 U.S.C. 103(a) as being unpatentable over The Depository Trust Company (Herein referred to "DTC") in view of Hawkins et al. (US. 5,497,317).

As to claims 1, 9, 12-13, 21-22, 29, 31,34 and 36, DTC discloses:

a system for settlement of a securities trade by obtaining agreement as to the

details of the trade among a broker, institution, agent and

interested parties comprising:

a. A broker, institution, agent and interested parties to send and receive communications (Page 3, lines 1-8).

b. A standing instruction database containing sets of instructions for trade settlement previously input by the institution, the broker and the agent (Page 3, lines 4-8).

c. Standing instructions database (Page 3, lines 4-6) which is configured to:

i. Receive a communication from the broker containing notice of order execution information (Page 3, lines 20-22).

ii. Receive a communication from the institution containing institution allocation institution information (Page 3, lines 22-26).

iii. Match, the institution communication with the broker communication based on information contained in both communications (Page 4, lines 14-16).

iv. If there is a match, generate a confirmation for the trade based on information contained in the broker communication, information contained in the institution communication and information stored in the standing instructions database (Page 20, lines 5-10).

v. Make available the confirmation as a communication to the institution, broker, agent and interested parties which facilitates the exchange of money and securities to settle the trade (Page 20, lines 9-11).

DTC discloses all of the limitations above, but fails to disclose a processing computer. Hawkins discloses a trading

system using a computer system to include a software, and computer processor for exchanging of funds and securities according to confirmation information (column 4, lines 65-66; column 5, lines 1-5 and claims 1 and 2). It would have been obvious to a person of ordinary skill in the art at the time of the applicant's invention to combine the disclosure of the DTC report with Hawkins et al. One would have been motivated to use this combination because it would provide the capability to quickly and efficiently execute trading transactions.

As to claims 2, 23, and 32, DTC further discloses the where the broker communication and the institution communication each contain the data fields of:
an institution identification number, a broker identification number, a security identification number, a buy/sell code, a number of shares or face value, a settlement amount (Page 35 paragraph number 4).

As to claims 3 and 24, DTC further discloses a broker identification number for that communication and the institution communication comprises a data field to reference the identification number of the broker communication and the processing computer matches the broker communication and the institution communication on the basis of the broker identification number (see entire page 34).

As per claim 4, DTC further discloses wherein the information in the standing database contains record for the internal customer account numbers of the institution's accounts and the corresponding internal account numbers used by the broker

for those accounts and a record to link those internal

account numbers and if there is a match, the processing computer

generates the confirmation by accessing the record that links the

internal account numbers and the database on those account

numbers. See pages 38 and 39.

As to claims 5 and 25, DTC further discloses an institution

communication both contain a data field indicating a settlement

amount for the trade, the institution communication additionally

contains a tolerance data field which specifies a tolerance value

by which a match based on settlement amount could vary and the

processing " computer matches the broker communication and the

institution communication so long as the settlement amounts vary

only by an amount within the tolerance (Page 36, last paragraph:

Page 51, last 4 paragraphs).

As to claims 6 and 26, DTC further discloses a system in

which the institution communication contains a data field which

indicates that the institution is the affirming party for the

trade and the processing computer generates a confirmation which

contains this indication in a data field (Page 52, last two

paragraphs).

As to claims 7, 8, 27, 28 and 32, DTC further discloses the

processing computer being coupled to a match database into which

the processing computer stores the broker and the institution

communication and retrieves it before attempting to match the

broker communication with the institution communication (page 12,

paragraph 3).

As to claim 13, DTC discloses: a broker communication containing data within data fields designated by:

a. An institution identification number, a broker identification number, a security identification number, a buy/sell code, a number of shares or face value, a settlement amount, trade date, and trade settlement date (Page 35 paragraph 4).

b. An institution communication containing data within data fields designated by:

An institution identification number, a broker identification number, a security identification number, a buy/sell code, a number of shares or face value, a settlement amount (Page 35 paragraph 4).

Compare (match), the institution communication with the broker communication based on information contained in both communications (Page 4 of 72, lines 14-16; Page 20, lines 5-10).

iv. If there is a match, generate a confirmation for the trade based on information contained in the broker communication, information contained in the institution communication and information stored in the standing instructions database (Page 20, lines 5-10).

DTC fails to explicitly disclose a processing computer. However, Hawkins discloses the use of a computer system and a computer processor (col. 4, lines 65-66 and col. 5, lines 1-5). It would have been obvious to a person of ordinary skill in the art at the time of the applicant's invention to modify the disclosure of the DTC by including a computer processor as taught

by Hawkins. In so doing would provide the capability to execute trade transactions faster and efficiently.

As to claim 30, DTC further discloses the claimed limitation "wherein the step of storing information in the standing database comprises the storing of records for internal customer account numbers of the institution's accounts and corresponding internal account numbers used by the broker for those accounts and a record to link those accounts and the step of generating a confirmation and comprises the further step of accessing the record that links the internal account records and accessing the internal account number records based on that link" by linking the broker account numbers to customer accounts. See page 18, paragraph 4.

As to claims 33 and 35, DTC discloses using the matched confirmation information to settle a trade agreement (Page 20 second paragraph# 2 and page 29 paragraph# 2 and 3).

Claims 14-17 and 19-20 are rejected under 35 U.S.C. 103(a) as being unpatentable over DTC in view of Lupien (6,098,051). As per claim 14, DTC discloses:

a. A trade confirmation communications system comprised to receive, process and transmit communications from and to the parties (Page 3, lines 1-8).

b. A standing instructions data base coupled to the trade confirmation communications system having at least one data table (for storing a plurality of information related to the trade stored by at least one of the parties (Page 3, lines 4-8; Page

50, paragraph# 4).

    c. Receive a trade communication containing order execution information from one of the parties and receiving information concerning a trade allocation information from an other one of the parties (Page 3, lines 20-26); and

    d. The trade communications system further comprised to generate a confirmation based on information within the received communication and information stored within the standing instruction database (Page 20, lines 9-11).

    DTC fails to explicitly disclose a matching controller. Lupien discloses a crossing network utilizing satisfaction density profile comprising a matching controller (col. 6, lines 46-60). It would have been obvious to a person of ordinary skill in the art at the time of the applicant's invention to modify the disclosure of DTC by including a matching controller. In so doing would provide the capability to quickly and efficiently execute and matching trading transactions.

    As to claim 15, DTC further discloses of institution, brokers, and interested parties information in a table, but fails to explicitly disclose a data table for each of these entities. Thus, it would have been obvious to a person skilled in the data processing art to include these data tables into DTC for facilitating easy entry and deleting users' trade information.

    As to claim 16, DTC discloses the claimed limitation "wherein the standing database further comprises at least one institution information data table and wherein at least one institution information data table id for storing institution and

account information" by entering account information (page

40, paragraph 1).

As to claim 17, DTC further discloses the claimed limitation

"wherein the standing database further comprises at least one

institution information data table and wherein the at least one

broker information data table is for storing settlement

information" by entering settlement information (see entire page

40).

As per claim 19, DTC discloses the claimed limitation

"wherein the standing instruction database further comprises at

least one institution information data table and

wherein at least one broker information data table is for broker

confirmation information", by entering institution information

and broker confirmation information in a table (page

50, paragraph# 2).

As per claim 20, DTC discloses the claimed limitation

wherein the data table further comprises at least one file

containing the names and addresses all parties involved

in the trade (page 54 paragraph# 3).

Claims 18 is rejected under 35 U.S.C. 103(a) as being

unpatentable over DTC in view of Lupien as applied to claim 14

above further in view of Hawkins et al (US Patent

No. 5,497,317).

As per claim 18, DTC and Lupien disclose information data

table and a broker/institution link data table. But DTC and

Lupien fail to explicitly disclose storing a set of cross-

references between the broker account number and the institution

customer account number. Hawkins et al discloses storing a cross-reference for a broker and institution customer account. Note column 6, lines 9-35. It would have been obvious to a person of ordinary skill in the art at the time the invention was made to modify DTC and Lupien to include storing a set of cross-references as taught by Hawkins et al in order to correlate alert and trade settlement messages among trade participants.

(11) **Response to Arguments**

A. <u>Issue A.</u>

Group 1: Appellants asserted Depository Trust Company "DTC" fails to teach the claimed invention. Appellants further supported their assertion by arguing on page 5 that DTC reference neither teaches nor suggests automatically matching received notice of execution from a broker with institution allocation instruction information from an institution. Appellant further argues that the examiner apparently relies on page 4 of 72, lines 14-16 of the DTC reference as disclosing Applicants recited matching an institution communication with a broker communication that contains a notice of order execution.

In response, the examiner respectfully disagrees with the Appellants because DTC teaches on page 4 of 72, line 14-16 of the matching of the trade data including a notice of order execution.

In addition, Page 3 paragraph 2 also identifies what the
trade data is.

    Appellants further argue that claim 1 recites the following:
.... a standing instructions database containing sets of
instructions for trade settlement input by the institution, the
broker and the agent prior to the securities trade ....

    In response, the examiner notes that Depository Trust
Company (DTC) teaches such standing instructions database for
storing brokers and institution instructions trading
information. Note entire Page 3.

    Appellants further argues on page 6 that that the DTC
reference, on the other hand, neither teaches nor suggests, and
in fact teaches away from, matching of information in the NOE and
the II. Rather, in the DTC reference, trade settlement
instructions (i.e., trade input) is input after trade execution
and during the trade settlement process. The system matches that
trade input to the II. See <u>The Depository Trust Company </u>filing,
page 20, lines 5-6. This system facilitates trade settlement only
by reducing the number of steps related to the *traditional
confirmation affirmation* process of the trade settlement. Such a
trade settlement system can be referred to as "Matching I".
Accordingly, the DTC reference neither teaches nor suggests
automatically matching received **notice of execution** information
from a broker with *institution allocation instruction* information
from an institution, and nowhere does DTC reference even suggest

that this trade data is received in a communication
containing a notice of order execution.

In response, the examiner respectfully disagrees with
Appellants' arguments because the Depository Trust Company (DTC)
clearly teaches matching an institution instruction
(communication) with a broker institution instructions
(communication). Note page 3, paragraph 2, and page 4, lines 16-
20.

Group II: Response to Appellants' assertion: Group II. Claim
9 recites the following:

Appellants argue on page 8 that that DTC reference describes,
for example, matching institution instructions with trade data
receive from the broker-dealer, and the trade data, however, does
not include a notice of execution.

In response, the examiner respectfully disagrees with the
Appellants because DTC teaches on page 4 of 72, line 14-16 of the
matching of the trade data including a notice of order execution.
In addition, Page 3 paragraph 2 also identifies what the trade
data is.

Group III

Appellants further argue on page 8 that nothing within the
DTC reference even suggests matching communications which contain
specific fields (data fields from a notice of executed order and
an institution allocation instruction.

In response, the examiner respectfully disagrees with
the Appellants because DTC teaches on page 4 of 72, line 14-16 of
the matching of the trade data and to include a notice of order
execution . In addition, Page 3 paragraph 2 also identifies what
the trade data is.

B. *ISSUE B*

Group I: Appellants argue that neither the DTC reference
nor the Lupien patent, alone or combined, renders obvious any *of*
claims 14-17, and 19-20. It is respectfully submitted that there
is no suggestion to combine the DTC reference with the Lupien
patent. In particular, the DTC reference relates to trade
settlement. In sharp contrast, the Lupien patent relates to
matching buy *and sell orders* based on a satisfaction and quantity
profile. A person *of* skill in the art, seeking to improve the
system described in the DTC reference, would not look to a system
that matches buy and sell orders. These two systems simply relate
to different types of processes at different stages in the trade.
Moreover, claim 14 recites similar subject matter to that
discussed above in connection with claim 1. Claims 15-17, 19 and
20 depend from claim 14. Accordingly, arguments presented above
in connection with claim 1 and the DTC reference apply also to
claims 14-17, 19 and 20. The Lupien patent does not cure the
noted deficiencies.

In response, the examiner respectfully disagrees with the
Appellants' arguments because DTC teaches on page 4 of 72, line

14-16 of the matching of the trade data and to include a
notice of order execution . In addition, Page 3 paragraph 2 also
identifies what the trade data is. In addition, In response to
Appellants' argument that there is no suggestion to combine the
DTC reference and the Lupien reference, the examiner recognizes
that references cannot be arbitrarily combined and that there
must be some reason why one skilled in the art would be motivated
to make the proposed combination of primary and secondary
references. In re Nomiya, 184 USPQ 607 (CCPA 1975). However,
there is no requirement that a motivation to make the
modification be expressly articulated. The test for combining
references is what the combination of disclosures taken as a
whole would suggest to one of ordinary skill in the art. In re
McLaughlin, 170 USPQ 209 (CCPA 1971). References are evaluated
by what they suggest to one versed in the art, rather than by
their specific disclosures. In re Bozek, 163 USPQ 545 (CCPA)
1969. In this instance, combining DTC with Lupien would provide
a user with the capability to quickly and efficiently execute and
matching trading transactions.

C. ISSUE C

Group I. Appellants argue that claim18 depends from claim
14 and that the arguments presented above in connection with
claim 14 and the DTC reference and the Lupien patent apply
equally to claim 18.

In response, again the examiner respectfully disagrees with
Appellants' arguments because the combination of DTC and Lupien
teaches Appellants' claimed invention. Hawkins et al discloses

storing a cross-reference for a broker and institution customer account. Note column 6, lines 9-35 of Hawkins et al. It would have been obvious to a person of ordinary skill in the art at the time the invention was made to modify the DTC reference and Lupien to include storing a set of cross-references in the same conventional manner as taught by Hawkins et al in order to correlate alert and trade settlement messages among trade participants.

The Examiner submits that all three references (DTC, Hawkins and Lupien) are sufficiently enabling for their respective cited teachings. Appellants' arguments are non-persuasive for the reasons cited above. Thus, it is submitted that the rejections should be sustained.

Respectfully submitted,

/Romain Jeanty/
Patent Examiner
Art Unit 3623
October 31, 2008

Conferees

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